Although a scaled ownership threshold, whereby the percentage varies according to a company's market capitalization or accelerated filing status, has some appeal, we would prefer to see a consistent threshold applied to all companies.

We support the proposed new rule 14a-17 as it applies to nominees of the shareowner only; we feel the nominees should be judged on the same information that is required currently for contested elections and in kind with that required for the nominees of management. Rule 14a-17 should not apply to disclosure of the shareowner that nominates the candidates, unless the nominating shareowner is a nominee as well. We agree that the nominating shareowner should be responsible for providing the relevant nominee information to the company, and that the nominating shareowner supply a statement of consent for nomination from each candidate.

Retain Current Resubmission Filing Thresholds
We view the current limitations on resubmission of shareowner proposals to be effective as currently structured and believe they adequately protect companies from nuisance by shareowner proposals that do not receive minimal shareholder support.[2]

Electronic Shareowner Forums
We are in favor of modifications to the rules that serve to increase the ability of management to communicate with shareowners and vice versa.

Bylaw Amendments Concerning Non-Binding Shareowner Proposals
Under no circumstance would we support a limitation on the ability of shareowners to file advisory proposals; the voting on these proposals serves many roles in communicating matters of importance to investors. Often such votes reflect widespread investor sentiment on issues that apply universally, and such votes inform management, as well as market participants, including other companies facing similar investor concerns.

We are not in favor of using an electronic petition model for non-binding proposals in lieu of Rule 14a-8. Proxy voting is required as a fiduciary requirement under ERISA, but petition signing is not. The petition process also seems likely to cut the participation rate for such non-binding proposals since it is disconnected from the proxy. The fact that totals would be reported as a fraction of total shares outstanding would further skew the support levels of the "vote" downward, as most votes are currently reported as a percentage of votes cast. Shareowners deserve the ability to present these proposals on the company's actual proxy where they will get the attention they deserve. This process is not of undue hardship to management and has not been abused by investors.

Arguments that a mandated federal approach is unnecessary due in large part to the internet, as well as increased utilization of financial intermediaries in recent years, relevance of proxy advisory services and the prevalence of published voting guidelines, do not sway us in our determination that the non-binding advisory process as currently regulated by the SEC is quite effective in giving clout to investors. Shareholders' ability to act as a group, by voting, is precisely what the existing advisory proposal process is designed to facilitate.

Other Requests for Comments
We feel that purely electronic proxies may be a reasonable alternative to the expense of running a traditional contest and may lower barriers for conducting election contests, but seems to be outside the scope of the proposal. We believe that shareowners should have access to the company's proxy, to have their nominees alongside company nominees, under specific conditions delineated in a shareowner-approved bylaw.

We feel additional amendments for reporting beneficial ownership and voting interests would be quite helpful. The filing requirements for form 13G should be amended so that beneficial ownership is clearer, including a requirement for parties subject to such disclosure to detail ownership and any activities that provide a disconnect

[2] Rule 14a-8 precludes resubmission of shareholder resolutions if they do not receive a minimal level of support in previous proxy votes: (i) less than 3% of the vote if proposed once within the preceding 5 calendar years; (ii) less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or (iii) less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years.

between ownership levels and voting ability, as well as disconnect between ownership level and economic interests through the use of derivatives or other contracts.[3] Voting is an important shareowner right, and those that may engage in behaviors that manipulate the voting outcome relative to their ownership or economic exposure should be required to fully report these actions on their 13G filing.

Summary

The Commission's stated goals are to promote the interests of investors, the efficient functioning of the capital markets, and the health of capital formation. We feel that the present rules requiring separate proxy solicitations result in too few challenges to boards that are in need of additional monitoring. The result is a potential loss of value to investors. We feel it is in the best interests of investors and the health of the market to include the ability for shareowners to vote on reasonably limited proxy access proposals.

Proposal S7-16-07 shows it is possible to have bylaw proposals allowing shareowner nominees while still protecting investors with the information required and intended under proxy guidelines. Clearly, the two proposed rules are incompatible and seem drafted with very different philosophies in mind. We hope you will revise S7-16-07 to make such presentation of the nomination bylaw proposals less onerous on shareowners who seek more accountability from their representatives, and with revisions that do not restrict the investor rights currently enjoyed regarding the submission of proposals unrelated to such director elections or nomination processes.

We appreciate the opportunity to comment on these important issues. If you have any questions, please contact Michael McCauley, Senior Corporate Governance Officer, at (850) 413-1252 or mike.mccauley@sbafla.com, or me.

Sincerely,

Coleman Stipanovich
Executive Director

[3] Related issues were addressed by the State Board of Administration in a February 5, 2007 letter to the Commission regarding the need for additional ballot item and record date disclosure surrounding various securities lending and share borrowing practices.